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GENERAL

1. POW reports of Chinese Communist forces in North Korea--  
The Commanding General of the US Eighth Army in Korea reports that the ten Chinese Communist prisoners of war captured as of 30 October have claimed during interrogations that the 119th and 120th divisions of the Chinese Communist 40th Army and the 117th division of the 39th Army are now in Korea.

(CIA Comment: Although there are major units of Chinese Communist forces along the Manchurian-Korean border, the presence of Chinese Communist units in Korea has not been confirmed. CIA continues to believe that direct Chinese Communist intervention in Korea is unlikely at this time. However, there is a strong possibility that the Peiping regime may move troops across the border in an effort to establish a "cordon sanitaire" around the Suiho hydroelectric plant and other strategic border installations essential to the Manchurian economy. There is also the possibility that these Chinese were sent into North Korea to plant reports of Chinese Communist forces in North Korea in the hope of slowing the UN advance, and thereby providing time for North Korean forces to reorganize. Ordinarily, privates in the Chinese army do not possess the detailed order-of-battle information which these POW's passed on to US field interrogators.)

EUROPE

2. UNITED KINGDOM: Attitude toward European bloc--US Embassy  
London transmits a report from a high-ranking British Foreign Office official that the UK Cabinet has approved a paper which states that, although the UK formerly opposed a European continental bloc particularly if dominated by Germany, the USSR

DIA and DOS review(s) completed. - 1 -

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**T O P   S E C R E T**

had changed the situation, and the UK would no longer oppose the regional grouping or even federation of certain continental countries, such as France, Germany, and Italy. The Cabinet paper also reiterates that the UK could not undertake continental commitments which would interfere with Britain's Commonwealth and sterling area obligations or with its special relations with the US.

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3. GERMANY: Eased tension in Berlin reported--According to the Berlin staff of the US High Commission in Germany, a "subtle change" in the Berlin situation during recent weeks appears to have brought about a notable relaxation from the former tension, and the feeling that, for the moment at least, the West has regained the initiative in Berlin. Although there is the danger that relaxed tension will be followed by reduced resistance among West Berliners, observers feel that the general attitude is one of "measured optimism and increased confidence" in Berlin's ability to make good use of any breathing spell.

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**NEAR EAST-AFRICA**

4. INDIA: Views on Indochina--US Embassy New Delhi transmits the view of an Indian Government spokesman that if France were to take steps indicating "unmistakably" its intention to yield full sovereignty to Vietnam, Indian and Southeast Asian acceptance of Bao Dai would be made "much easier." The spokesman added that India would "welcome" a coalition of "nationalist" elements of both contesting groups and that steps to place the Indochina problem before the UN would be greeted as evidence of good faith on the part of France.

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FAR EAST

5. INDOCHINA: Viet Minh capabilities--The US Military and Naval Attaches in Saigon report their opinion that, despite present Viet Minh possession of the initiative in attacks on French posts along the Tonkin border, the rebels will not be able to launch an all-out offensive for four to five months. The Attaches believe that the major regrouping, replenishment of supplies, and consolidation of lines of communication required for such an all-out effort could not be accomplished in less time. The Viet Minh, however, is considered to be capable of launching a "shoestring" offensive any time after 1 December 1950. Meanwhile, the US Military Attache at Hanoi reports that French officers have expressed their personal opinion that, if Tonkin falls to the Viet Minh, the French will not attempt to hold the rest of Indochina. The Attache adds that the French forces in Indochina urgently need reinforcements and light automatic weapons.
6. KOREA: Situation in captured North Korean capital--US Embassy Counsellor Drumright reports that the physical condition of Pyongyang appears to be much better than that of Seoul shortly after the Communists were driven north. Drumright adds, however, that politically the city is operating in a vacuum which may lead to serious difficulties, primarily because the provisional government of the city is made up of men with good character but inexperienced in managing a city the size of Pyongyang. The Counsellor points out that all Communist officials have fled the city and there are no citizens with pre-Communist experience in city affairs because the Japanese administered the city prior to the Communist regime.

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